

State of South Dakota

SEVENTY-FOURTH SESSION
LEGISLATIVE ASSEMBLY, 1999

525C0873

HOUSE STATE AFFAIRS COMMITTEE ENGROSSED

NO. **HCR1012** - 3/3/99

Introduced by: Representatives Weber, Cerny, Chicoine, Crisp, Haley, Koehn, Koetzle, Kooistra, Lockner, and Sutton (Daniel) and Senators Kloucek, Dennert, Hutmacher, and Lange

1 A CONCURRENT RESOLUTION, Calling upon the United States Department of Justice to
2 investigate collusive practices in the midwestern food processing industries.

3 WHEREAS, recent federal studies of the cattle and hog industries have shown that the
4 strategic use of captive supply procurement methods by meatpacking corporations are associated
5 with reductions in cash market prices for cattle, indicating possible illegal manipulation of prices;
6 and

7 WHEREAS, recent federal studies of the pork packing industry have shown that
8 meatpacking corporations have voluntarily reported prices that did not reflect actual transaction
9 prices, indicating possible deceptive practices; and

10 WHEREAS, further federal studies indicate that base prices and premiums paid by
11 meatpacking corporations increase with producer size, indicating possible discriminatory
12 practices and undue preferential treatment of producers; and

13 WHEREAS, the proposed purchase of the grain operations of the Continental Grain
14 Company by Cargill, Incorporated, will limit the marketing opportunities of midwestern grain
15 producers and open the door to possibly illegal market manipulation and discriminatory

1 practices:

2 NOW, THEREFORE, BE IT RESOLVED, by the House of Representatives of the Seventy-
3 fourth Legislature of the State of South Dakota, the Senate concurring therein, that the United
4 States Department of Justice is requested to send senior investigative and administrative
5 personnel to a convenient midwestern location to meet with farmers and others with experience
6 in dealing with meatpacking and grain processing corporations to discuss possible violations of
7 antitrust and other laws in those industries; and that the United States Department of Justice is
8 requested to open an investigation of possible antitrust violations in the midwestern meatpacking,
9 grain processing, and grain storage industries; and that the United States Department of Justice
10 is requested to develop a plan for immediate, aggressive, and comprehensive enforcement of the
11 federal Packers and Stockyards Act and other laws designed to preserve competition and open
12 markets in the midwestern grain and livestock industries.

1 **BILL HISTORY**

2 2/26/99 Scheduled for Committee hearing on this date.

3 3/1/99 Scheduled for Committee hearing on this date.

4 3/1/99 State Affairs Adopt Resolution as Amended, AYES 7, NAYS 6. H.J. 838